

RAISINVILLE TOWNSHIP

Monroe County, Michigan

FINANCIAL STATEMENTS
FOR THE YEAR ENDED
JUNE 30, 2008

RAISINVILLE TOWNSHIP

TOWNSHIP OFFICIALS

SUPERVISOR -----Gerald Blanchette

CLERK ----- Janet Kuehlein

TREASURER -----RoseMarie Meyer

TOWNSHIP BOARD

Gerald Blanchette
Janet Kuehlein
RoseMarie Meyer
Keith Henderson
Robert Oberski

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McGuire & McDole
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INDEPENDENT AUDITOR'S REPORT

Township Board of
Raisinville Township
96 Ida Maybee Road
Monroe, MI 48161

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Township of Raisinville, Michigan as of and for the year ended June 30, 2008, which collectively comprise the Township's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Township's management. Our responsibility is to express an opinion on these basic financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Raisinville Township, Michigan as of June 30, 2008, and the respective changes in financial position, and cash flows where applicable, thereof for the year then ended in conformity with generally accepted accounting principles in the United States of America.

The management's discussion and analysis on pages 2 through 4 is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consist principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion in it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township of Raisinville's basic financial statements. The required supplementary budgetary comparisons, and additional combining nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The required supplementary budgetary comparisons and combining nonmajor fund financial statements have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

McGuire & McDole

McGuire & McDole
Certified Public Accountants

October 31, 2008

**Raisinville Township
Management's Discussion and Analysis
June 30, 2008**

Using this Annual Report

This annual report consists of a series of financial statements. The Statement of Net Assets and the Statement of Activities provide information about the activities of the Township as a whole and present a longer-term view of the Township's finances. Fund financial statements tell how these services were financed in the short-term, as well as what remains for future spending. Fund financial statements also report the Township's operations in more detail than the government-wide financial statements.

The Township as a Whole

The Township's combined net assets decreased 5.8% from a year ago – decreasing from \$5,805.9 thousand to \$5,465.2 thousand. As we look at the governmental activities separately from the business-type activities, we can see that the governmental activities experienced a decrease, of approximately \$287.1 thousand during the year (5.4% decrease). The business-type activities experienced a \$53.6 thousand decrease in net assets, primarily as a result of debt reduction. In a condensed format, the table below shows a comparison of the net assets (in thousands of dollars) as of the current date to the prior year:

	<i>Governmental Activities</i>		<i>Business-Type Activities</i>		<i>Total</i>	
	<i>2008</i>	<i>2007</i>	<i>2008</i>	<i>2007</i>	<i>2008</i>	<i>2007</i>
Current Assets	\$ 4,420.7	\$ 4,429.8	\$ 51.4	\$ 130.6	\$ 4,472.1	\$ 4,560.4
Noncurrent Assets	6,860.8	7,941.0	428.6	461.2	7,289.4	8,402.2
Total Assets	<u>11,281.5</u>	<u>12,370.8</u>	<u>480.0</u>	<u>591.8</u>	<u>11,761.5</u>	<u>12,962.6</u>
Long-Term Debt Outstanding	6,220.9	6,949.8	-	58.2	6,220.9	7,008.0
Other Liabilities	75.4	148.7	-	-	75.4	148.7
Total Liabilities	<u>6,296.3</u>	<u>7,098.5</u>	<u>-</u>	<u>58.2</u>	<u>6,296.3</u>	<u>7,156.7</u>
Net Assets						
Invested in Capital Assets-						
Net of Debt	1,039.8	1,020.5	428.6	403.0	1,468.4	1,423.5
Restricted	3,853.1	3,846.0	-	-	3,853.1	3,846.0
Unrestricted (Deficit)	<u>92.3</u>	<u>405.8</u>	<u>51.4</u>	<u>130.6</u>	<u>143.7</u>	<u>536.4</u>
Total Net Assets	<u>\$ 4,985.2</u>	<u>\$ 5,272.3</u>	<u>\$ 480.0</u>	<u>\$ 533.6</u>	<u>\$ 5,465.2</u>	<u>\$ 5,805.9</u>

Unrestricted net assets - the part of net assets that can be used to finance day to day operations, decreased by \$313.6 for the governmental activities. The current level of unrestricted net assets for our governmental activities stands at \$92,300.

Raisinville Township
Management's Discussion and Analysis
June 30, 2008

The following table shows the changes of the net assets (in thousands of dollars) as of the current date to the prior year:

	<i>Governmental Activities</i>		<i>Business-Type Activities</i>		<i>Total</i>	
	<i>2008</i>	<i>2007</i>	<i>2008</i>	<i>2007</i>	<i>2008</i>	<i>2007</i>
Program Revenues						
Charges for Services	\$ 53.8	\$ 80.8	\$ 58.1	\$ 63.1	\$ 112.0	\$ 144.0
Operating Grants and Contributions	-	-	-	-	-	-
Capital Grants and Contributions	(425.3)	73.5	-	-	(425.3)	73.5
General Revenues						
Property Taxes	147.1	137.6	-	-	147.1	137.6
State-Shared Revenues	334.3	331.5	-	-	334.3	331.5
Unrestricted Investment Earnings	554.2	592.6	2.7	4.3	556.9	596.9
Franchise Fees	17.1	16.9	-	-	17.1	16.9
Transfers and Other Revenue	250.8	188.4	-	-	250.8	188.4
Total Revenues	932.0	1,421.4	60.9	67.4	992.9	1,488.8
Program Expenses						
General Government	472.6	365.5	-	-	472.6	365.5
Public Safety	215.1	213.6	-	-	215.1	213.6
Public Works	186.5	334.2	-	-	186.5	334.2
Recreation and Culture	3.0	3.0	-	-	3.0	3.0
Interest on Long-Term Debt	341.9	386.6	-	-	341.9	386.6
Water and Sewer			114.5	51.2	114.5	51.2
Total Expenses	1,219.1	1,302.9	114.5	51.2	1,333.6	1,354.2
Change in Net Assets	\$ (287.1)	\$ 118.5	\$ (53.6)	\$ 16.2	\$ (340.7)	\$ 134.6

The Township's net assets have decreased drastically. This is due to adjustments in special assessment revenue. Expenses exceeded revenue which resulted in net assets decreasing by \$340,700.

Governmental Activities

The Township's total governmental revenues decreased by approximately \$489,400 due to a decrease in capital grants and contributions and other revenue.

Expenses decreased by about \$83,800 during the year. This was primarily the result of a decrease in public works expenses.

Business-Type Activities

The Township's business-type activities consist of the Sewer Fund. We provide sewage treatment to a portion of township residents. Operations were comparable to the prior year. Water service is provided by the City of Monroe.

The Township's Funds

Our analysis of the Township's major funds begins on page 5, following the entity wide financial statements. The fund financial statements provide detail information about the most significant funds, not the Township as a whole. The Township Board creates funds to help manage money for specific purposes as well as to show accountability for certain activities, such as special property tax millages. The Township's major funds for 2007-08 include the General Fund, and the Debt Service Fund.

The General Fund pays for most of the Township's governmental services. The most significant is fire, which incurred expenses of approximately \$135,000 in 2007-08. The fire department is funded by general revenue sources of the General Fund.

General Fund Budgetary Highlights

Over the course of the year, the Township Board amended the budget to take into account events during the year. There were no significant changes. Township departments overall stayed below budget, resulting in total expenditures \$53,423 below budget. The General Fund's fund balance increased from \$492,250 a year ago to \$580,502 at June 30, 2008.

Capital Asset and Debt Administration

At June 30, 2008, the Township had \$2,533,000 invested in a broad range of capital assets, including buildings, equipment, water and sewer lines. Water lines are classified as infrastructure. In addition, the Township has invested significantly in roads within the Township. These assets are not reported in the Township's financial statements because of Michigan law, which makes these roads the property of the Monroe County Road Commission (along with the responsibility to maintain them).

During 2007-08 the Township reduced debt by \$787,103.

Economic Factors and Next Year's Budgets and Rates

The Township's operating budget for 2008-09 is \$855,800 compared to \$877,000 for the prior year, and operations will be similar. The tax rate will remain unchanged while the taxable value of assessed property will be approximately the same. A fire operations special assessment of \$20.00 per parcel will remain in effect.

Contacting the Township's Management

This financial report is intended to provide our citizens, taxpayers, customers and investors with a general overview of the Township's finances and to show the Township's accountability for the money it receives. If you have questions about this report or need additional information, we welcome you to contact the clerk's office.

RAISINVILLE TOWNSHIP
GOVERNMENT WIDE STATEMENT OF NET ASSETS
JUNE 30, 2008

	Primary Government		
	<i>Governmental Activities</i>	<i>Business - Type Activities</i>	<i>Total</i>
Assets			
Cash and Cash Equivalents	\$ 4,261,524	\$ 47,032	\$ 4,308,556
Receivables (Net of Allowance for Uncollectibles):			
Assessments	4,755,971	-	4,755,971
Interest	57,609	-	57,609
Due From State of Michigan	105,968	-	105,968
Internal Balances	(4,399)	4,399	-
	<u>9,176,673</u>	<u>51,431</u>	<u>9,228,104</u>
Capital Assets:			
Land	22,200	-	22,200
Buildings and System	683,230	1,201,499	1,884,729
Improvements Other than Buildings	49,500	-	49,500
Machinery and Equipment	131,848	-	131,848
Infrastructure	1,678,709	-	1,678,709
Construction in Progress	-	-	-
Less Accumulated Depreciation	(460,689)	(772,913)	(1,233,602)
Total Capital Assets (Net of Accumulated Depreciation)	<u>2,104,798</u>	<u>428,586</u>	<u>2,533,384</u>
Total Assets	<u>11,281,471</u>	<u>480,017</u>	<u>11,761,488</u>
Liabilities			
Accounts Payable	14,366	-	14,366
Accrued Wages	10,572	-	10,572
Accrued Interest Payable	50,451	-	50,451
Noncurrent Liabilities:			
Due Within One Year	623,883	-	623,883
Due in More Than One Year	5,597,018	-	5,597,018
Total Liabilities	<u>6,296,290</u>	<u>-</u>	<u>6,296,290</u>
Net Assets			
Invested in Capital Assets Net of Related Debt	1,039,798	428,586	1,468,384
Restricted for:			
Debt	3,822,628	-	3,822,628
Metro Fees	30,506	-	30,506
Unrestricted	92,249	51,431	143,680
Total Net Assets	<u>\$ 4,985,181</u>	<u>\$ 480,017</u>	<u>\$ 5,465,198</u>

See Accompanying Notes to the Financial Statements.

RAISINVILLE TOWNSHIP

**GOVERNMENT WIDE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2008**

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-Type Activities	Total
Primary Government							
Governmental Activities:							
General Government	\$ 472,632	\$ 9,779	\$ -	\$ -	\$ (462,853)	\$ -	\$ (462,853)
Public Safety	215,087	44,067	-	-	(171,020)	-	(171,020)
Public Works	186,527	-	-	(425,316)	(611,843)	-	(611,843)
Culture and Recreation	3,001	-	-	-	(3,001)	-	(3,001)
Interest on Long-Term Debt	341,869	-	-	-	(341,869)	-	(341,869)
Total Governmental Activities	1,219,116	53,846	-	(425,316)	(1,590,586)	-	(1,590,586)
Business-Type Activities:							
Water and Sewer	114,476	58,113	-	-		(56,363)	(56,363)
Total Primary Government	<u>\$ 1,333,592</u>	<u>\$ 111,959</u>	<u>\$ -</u>	<u>\$ (425,316)</u>	<u>(1,590,586)</u>	<u>(56,363)</u>	<u>(1,646,949)</u>
General Revenues:							
Property Taxes					147,105	-	147,105
State Shared Revenues					334,262	-	334,262
Franchise Fees and Permits					17,110	-	17,110
Unrestricted Investment Earnings					554,173	2,749	556,922
Miscellaneous					250,816	-	250,816
Transfers					-	-	-
Total General Revenues and Transfers					<u>1,303,466</u>	<u>2,749</u>	<u>1,306,215</u>
Change in Net Assets					(287,120)	(53,614)	(340,734)
Net Assets - Beginning					<u>5,272,301</u>	<u>533,631</u>	<u>5,805,932</u>
Net Assets - Ending					<u>\$ 4,985,181</u>	<u>\$ 480,017</u>	<u>\$ 5,465,198</u>

See Accompanying Notes to the Financial Statements.

RAISINVILLE TOWNSHIP

**BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2008**

Assets	General	Debt Service	Other Governmental Funds	Totals Governmental Funds
Cash and Cash Equivalents	\$ 491,056	\$ 3,765,019	\$ 5,449	\$ 4,261,524
Assessments Receivable	-	4,755,971	-	4,755,971
Interest Receivable		57,609		57,609
Due From State of Michigan	105,968	-	-	105,968
Due From Other Funds	5,594	-	-	5,594
Total Assets	\$ 602,618	\$ 8,578,599	\$ 5,449	\$ 9,186,666
Liabilities and Fund Balance				
Liabilities:				
Accounts Payable	\$ 9,905	\$ -	\$ 4,461	\$ 14,366
Accrued Wages	7,812	-	2,760	10,572
Due to Other Funds	4,399	-	5,594	9,993
Deferred Revenue	-	4,755,971	-	4,755,971
Total Liabilities	22,116	4,755,971	12,815	4,790,902
Fund Balances :				
Reserved for:				
Debt Service		3,822,628		3,822,628
Unreserved	580,502	-	(7,366)	573,136
Total Fund Equity and Retained Earnings	580,502	3,822,628	(7,366)	4,395,764
Total Liabilities, Equity, and Retained Earnings	\$ 602,618	\$ 8,578,599	\$ 5,449	

Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	2,104,798
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	4,755,971
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	(6,271,352)
Net Assets of Governmental Activities	\$ 4,985,181

See Accompanying Notes to the Financial Statements.

RAISINVILLE TOWNSHIP
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2008

	<u>General</u>	<u>Debt Service</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:				
Taxes and Penalties	\$ 147,105	\$ -	\$ -	\$ 147,105
Licenses and Permits	-		44,067	44,067
State Grants	333,453		809	334,262
Charges for Services	9,779	-	-	9,779
Assessments	-	604,574	4,627	609,201
Interest	16,236	537,937	-	554,173
Other	204,739	63,182	-	267,921
Total Revenues	<u>711,312</u>	<u>1,205,693</u>	<u>49,503</u>	<u>1,966,508</u>
Expenditures:				
Current:				
General Government	313,086	-	-	313,086
Public Safety	134,850		80,237	215,087
Public Works	147,226		5,727	152,953
Recreational and Cultural	3,001	-	-	3,001
Other	-	132,232	-	132,232
Capital Outlay	15,165	-	-	15,165
Debt Service:				
Principal	-	728,883	-	728,883
Interest and Fiscal Charges	-	352,230	-	352,230
Total Expenditures	<u>613,328</u>	<u>1,213,345</u>	<u>85,964</u>	<u>1,912,637</u>
Excess of Revenue Over (Under) Expenditures	<u>97,984</u>	<u>(7,652)</u>	<u>(36,461)</u>	<u>53,871</u>
Other Financing Sources (Uses):				
Proceeds from Bonds	-	-	-	-
Operating Transfers In	731	-	10,463	11,194
Operating Transfers Out	(10,463)	(731)	-	(11,194)
Total Other Financing Sources (Uses)	<u>(9,732)</u>	<u>(731)</u>	<u>10,463</u>	<u>-</u>
Excess of Revenue & Other Financing Sources Over Expenditures & Other Financing Uses	88,252	(8,383)	(25,998)	53,871
Fund Balance - Beginning	<u>492,250</u>	<u>3,831,011</u>	<u>18,632</u>	
Fund Balance - Ending	<u>\$ 580,502</u>	<u>\$ 3,822,628</u>	<u>\$ (7,366)</u>	

Amounts reported for governmental activities in the statement of activities are different because:

-Governmental funds report capital outlays as expenditures; in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlay in the current period. (45,723)

-Special assessment and similar revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. (1,024,151)

-Repayment of bond principal is an expenditure in the governmental funds, but not in the statement of activities (where it reduces long-term debt) 728,883

Change in Net Assets of Governmental Activities \$ (287,120)

See Accompanying Notes to the Financial Statements.

RAISINVILLE TOWNSHIP
PROPRIETARY FUND STATEMENT OF NET ASSETS
JUNE 30, 2008

Assets

	<u>Sewer Current Year</u>	<u>Sewer Prior Year</u>
Current Assets:		
Cash and Cash Equivalents	\$ 47,032	\$ 123,413
Due From General Fund	4,399	-
Current Portion of Assessments Receivable	-	7,223
Noncurrent Assets:		
Assessments Receivable	-	-
Capital Assets	1,201,499	1,201,499
Less Accumulated Depreciation	<u>(772,913)</u>	<u>(740,284)</u>
Total Assets	<u>480,017</u>	<u>591,851</u>

Liabilities

Current Liabilities:		
Accounts Payable	-	-
Current Portion of Non-current Liabilities	-	58,220
Non-current Liabilities		
Bonds Payable	<u>-</u>	<u>-</u>
Total Liabilities	<u>-</u>	<u>58,220</u>

Net Assets

Invested in Capital Assets, Net of Related Debt	428,586	402,995
Unrestricted	<u>51,431</u>	<u>130,636</u>
Total Net Assets	<u><u>\$ 480,017</u></u>	<u><u>\$ 533,631</u></u>

See Accompanying Notes to the Financial Statements.

RAISINVILLE TOWNSHIP**PROPRIETARY FUND STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2008**

	<u>Sewer Current Year</u>	<u>Sewer Prior Year</u>
Operating Revenue:		
Charges for Service	\$ 42,954	\$ 55,536
Other Revenue	<u>15,159</u>	<u>7,596</u>
Total Operating Revenue	<u>58,113</u>	<u>63,132</u>
 Operating Expenses:		
Operation and Maintenance Expense	80,734	14,469
Depreciation	<u>32,629</u>	<u>32,629</u>
Total Operating Expenses	<u>113,363</u>	<u>47,098</u>
Net Operating Income	(55,250)	16,034
 Non-Operating Revenue (Expenses)		
Interest Income	2,749	4,254
Interest Expense	<u>(1,113)</u>	<u>(4,138)</u>
Total Non-Operating Revenue (Expenses)	<u>1,636</u>	<u>116</u>
 Change in Net Assets	(53,614)	16,150
Net Assets - Beginning	<u>533,631</u>	<u>517,481</u>
Net Assets - Ending	<u><u>\$ 480,017</u></u>	<u><u>\$ 533,631</u></u>

See Accompanying Notes to the Financial Statements.

RAISINVILLE TOWNSHIP
SEWER ENTERPRISE FUND
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2008

<i>CASH FLOWS FROM OPERATING ACTIVITIES:</i>	<u>Sewer Current Year</u>	<u>Sewer Prior Year</u>
Receipts from customers and users	\$ 53,716	\$ 63,132
Payments to suppliers	(80,736)	(14,469)
Net Cash Provided by Operating Activities	<u>(27,020)</u>	<u>48,663</u>
 <i>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</i>		
Assessment Collections	7,223	7,222
Principal Paid on Debt	(58,220)	(59,649)
Interest Paid on Debt	<u>(1,113)</u>	<u>(4,129)</u>
Net Cash Used by Capital and Related Financing Activities	<u>(52,110)</u>	<u>(56,556)</u>
 <i>CASH FLOWS FROM INVESTING ACTIVITIES:</i>		
Interest Revenue	<u>2,749</u>	<u>4,254</u>
Net Cash Provided by Investing Activities	<u>2,749</u>	<u>4,254</u>
Net Decrease In Cash and Cash Equivalents	(76,381)	(3,639)
Cash and Cash Equivalents - Beginning	<u>123,413</u>	<u>127,052</u>
Cash and Cash Equivalents - Ending	<u>\$ 47,032</u>	<u>\$ 123,413</u>
 Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:		
Operating Income	\$ (55,250)	\$ 16,034
Due to Other Funds	(4,399)	-
Depreciation	<u>32,629</u>	<u>32,629</u>
Net Cash Provided by Operating Activities	<u>\$ (27,020)</u>	<u>\$ 48,663</u>

See Accompanying Notes to the Financial Statements.

RAISINVILLE TOWNSHIP
FIDUCIARY FUND STATEMENT OF NET ASSETS
JUNE 30, 2008

	<i>Pension Trust Fund</i>	<i>Agency Fund Type (Property Tax Collection Fund)</i>
Assets		
Cash and Cash Equivalents	\$ -	\$ 10,306
Investments at Fair Value:		
Mutual Funds	<u>270,522</u>	<u>-</u>
Total Assets	270,522	<u><u>\$ 10,306</u></u>
 Liabilities		
Due to Others	<u>-</u>	<u>\$ 10,306</u>
Total Liabilities	-	<u><u>\$ 10,306</u></u>
 Net Assets		
Held in Trust for Pension Benefits	<u><u>\$ 270,522</u></u>	

See Accompanying Notes to the Financial Statements.

RAISINVILLE TOWNSHIP**FIDUCIARY FUND STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2008**

*Pension
Trust
Fund*

Additions:

Contributions

Employer

\$ 10,831

Plan Members

5,662

Total contributions

16,493

Investment Income

Net Appreciation (Depreciation) in
Fair Value of Investments

(9,909)

Total Additions

6,584

Deductions:

Participant Withdrawals

-

Net Change in Net Assets

6,584

Net Assets - Beginning

263,938

Net Assets - Ending

\$ 270,522

See Accompanying Notes to the Financial Statements.

NOTES TO THE FINANCIAL STATEMENTS

- NOTE 1 - *Summary of Significant Accounting Policies*
- NOTE 2 - *Reconciliation of Government-Wide and Fund Financial Statements*
- NOTE 3 - *Stewardship, Compliance and Accountability*
- NOTE 4 - *Deposits and Investments*
- NOTE 5 - *Receivables*
- NOTE 6 - *Capital Assets*
- NOTE 7 - *Interfund Receivables, Payables and Transfers*
- NOTE 8 - *Leases*
- NOTE 9 - *Long-term Debt*
- NOTE 10 - *Risk Management*
- NOTE 11 - *Other Post-Employment Benefits*
- NOTE 12 - *Employee Retirement Plan*
- NOTE 13 - *Pending Litigation*
- NOTE 14 - *Raisinville Township - City of Monroe Water Main Agreement*
- NOTE 15 - *London, Maybee, Raisinville Joint Powers Fire Department*

NOTE 1--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of Raisinville Township conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units. The following is a summary of the significant accounting policies used by Raisinville Township:

A - Reporting Entity

The Local Governmental Unit is governed by an elected five member board. The accompanying financial statements present the government and its component units, entities for which the government is considered to be financially accountable. Although blended component units are legal separate entities, in substance, they are part of the government's operations. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the government.

Raisinville Township has no component units.

B - Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities which rely to a significant extent on fees and charges for support. The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment; and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenue. Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

C - Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be available if it is collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, expenditures relating to compensated absences, and claims and judgments are recorded only when payment is due.

NOTE 1--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property taxes, state-shared revenue, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenue of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered available only when cash is received by the government.

Raisinville Township property tax is levied on each December 1st on the taxable valuation of property (as defined by State statutes) located in Raisinville Township as of the preceding December 31st. Although Raisinville Township 2007 ad valorem tax is levied and collectible on December 1, 2007, it is Raisinville Township's policy to recognize revenue from the current tax levy in the current year when the proceeds of this levy are budgeted and made "available" for the financing of operations. "Available" means collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period (60 days). The 2007 taxable valuation of Raisinville Township totaled \$201.9 million, on which ad valorem taxes levied consisted of .7584 mills for Raisinville Township operating purposes, raising \$144,761 for operating. This amount is recognized in the General Fund financial statements as taxes receivable - current or as tax revenue.

The government reports the following major governmental funds:

The General Fund is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Debt Service Fund accounts for all assessment debt payments and related assessment revenue.

The government reports the following major proprietary funds:

The Sewer Fund accounts for the activities of the sewage collection system.

Additionally, the government reports the following fund types:

The pension trust fund accounts for the activities of the township employees retirement system which accumulates resources for pension benefit payments to qualified employees.

Private-sector standards of accounting issued prior to December 1, 1989, are generally followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with the standards of the Governmental Accounting Standards Board. The government has elected not to follow private-sector standards issued after November 30, 1989 for its business type activities.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the government's water and sewer function and various other functions of the government. Eliminations of these charges would distort the direct costs and program revenues reported for the various functions concerned. Amounts reported as program revenue include: (1) charges to customers or applicants for goods, services or privileges provided; (2) operating grants and contributions; and (3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenue rather than as program revenue. Likewise, general revenue includes all taxes.

Proprietary funds distinguish operating revenue and expenses from non-operating items. Operating revenue and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operations. The principal operating revenue of our proprietary funds relate to charges to customers for sales and services. The sewer fund also recognizes tap fees as operating revenue. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenue and expenses not meeting this definition are reported as non-operating revenue and expenses.

NOTE 1--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Liabilities, and Net Assets or Equity

Bank Deposits and Investments--Cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with a maturity of three months or less when acquired. Investments are stated at fair value.

Receivables and Payables--In general, outstanding balances between funds are reported as "due to/from other funds." Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as "advances to/from other funds." Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as "internal balances."

All trade and property tax receivables are shown as net of allowance for uncollectible amounts. Property taxes are levied on each December 1st on the taxable valuation of property as of the preceding December 31st. Taxes are considered delinquent on March 1st of the following year, at which time penalties and interest are assessed.

Inventories and Prepaid Items--Inventories are valued at cost, on a first-in, first-out basis. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased. Certain payments to vendors reflect costs applicable to future fiscal years and are recorded as prepaid items in both government-wide and fund financial statements.

Restricted Assets--Revenue bonds of the enterprise funds require amounts to be set aside for construction, debt service principal and interest, operations and maintenance, and a bond reserve. These amounts have been classified as restricted assets, as well as amounts on deposit at the county being held for the construction or debt service of Raisinville Township's water and sewer lines.

Capital Assets--Capital assets, which include property, plant, equipment, infrastructure assets (e.g., roads, bridges, sidewalks, and similar items) are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial individual cost of more than \$500 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. Interest incurred during the construction of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Property, plant and equipment is depreciated using the straight-line method over the following useful lives:

Buildings	40 years
Improvements Other than Buildings	20 years
Machinery and Equipment	3 to 15 years
Water and Sewer Lines	30 to 60 years
Infrastructure	50 years

Compensated Absences (Vacation and Sick Leave)--It is the government's policy to permit employees to accumulate earned but unused sick and vacation pay benefits. There is no liability for unpaid accumulated sick leave since the government does not have a policy to pay any amounts when employees separate from service with the government. All vacation pay is accrued when incurred in the government-wide, proprietary and fiduciary fund financial statements. A liability for these amounts is reported in governmental funds only for employee terminations as of year-end.

NOTE 1--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Long-Term Obligations --In the government-wide financial statements and the proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt. In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts are reported as other financing uses. Issuance costs are reported as debt service expenditures.

Fund Equity --In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

Comparative Data/Reclassifications --Comparative total data for the prior year have been presented only for individual enterprise funds in the fund financial statements in order to provide an understanding of the changes in the financial position and operations of these funds. Also, certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

Use of Estimates -- Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

NOTE 2--RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

- A. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net assets.

The governmental fund balance sheet includes a reconciliation between *fund balance - total governmental funds and net assets - governmental activities* as reported in the government-wide statement of net assets. One element of that reconciliation explains that "long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds". The details of this \$6,271,352 are as follows:

Bonds payable	\$ 6,220,901
Accrued interest payable	<u>50,451</u>

Net adjustment to reduce <i>fund balance - total governmental funds</i> to arrive at <i>net assets - governmental activities</i>	<u><u>\$ 6,271,352</u></u>
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- B. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities.

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between *net changes in fund balances - total governmental funds and changes in net assets of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that "Governmental funds report capital outlays as expenditures; in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense". The details of this \$(45,723) are as follows:

Capital outlay	\$ 15,165
Depreciation	<u>(60,888)</u>
	<u><u>\$ (45,723)</u></u>

NOTE 3--STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information--Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the general and all special revenue funds. All annual appropriations lapse at fiscal year end. On or before the 1st day of April the Supervisor shall prepare and submit to the Township Board a recommended budget within the tax limit and other revenue sources of the Township covering the next fiscal year. A public hearing on the budget shall be held before its final adoption. On or before the end of the fiscal year, the Township Board shall adopt a budget for the ensuing fiscal year. The budget document presents information by fund, function, department and line items. The legal level of budgetary control adopted by the governing body is the department level. (i.e., The level at which expenditures may not legally exceed appropriations). The Supervisor is authorized to transfer budgeted amounts between line-items within an activity category; however, any revisions that alter the total expenditures of any activity must be approved by the Township Board.

Amounts encumbered for purchase orders, contracts, etc., are not tracked during the year. Budget appropriations are considered to be spent once the goods are delivered or the services rendered.

Excess of Expenditures Over Appropriations in Budgeted Funds--During the year, Raisinville Township did incur one expenditure in excess of the amount appropriated.

	<u>Actual Expenditure</u>	<u>Budget Appropriation</u>
General Fund - Planning	\$ 9,256	\$ 8,943

Fund Deficits--The Local Governmental Unit has one accumulated fund balance/retained earning deficit.

Building Inspection Fund	\$ (12,242)
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NOTE 4--DEPOSITS AND INVESTMENTS

Michigan Compiled Laws, Section 129.91, authorizes the local governmental unit to make deposits and invest in the accounts of federally insured banks, credit unions, and savings and loan associations which have an office in Michigan. The local unit is allowed to invest in bonds, securities and other direct obligations of the United States or any agency or instrumentality of the United States; United States government or federal agency obligations; repurchase agreements; bankers' acceptance of United States banks; commercial paper rated within the two highest classifications which mature not more than 270 days after the date of purchase; obligations of the State of Michigan or its political subdivisions which are rated as investment grade; and mutual funds composed of investment vehicles which are legal for direct investment by local units of government in Michigan.

Raisinville Township's Board has designated two banks for the deposit of Local Unit funds. The investment policy adopted by the board in accordance with Public Act 196 of 1997 has authorized investment in bonds and securities of the United States government and bank accounts and CDs, but not the remainder of State statutory authority as listed above.

Raisinville Township's deposits and investment policy are in accordance with statutory authority.

At year-end, Raisinville Township's deposits and investments were reported in the basic financial statements in the following categories:

<u>Primary Government</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Fiduciary Funds</u>	<u>Total</u>
Cash and Cash Equivalents	\$ 4,261,524	\$ 47,032	\$ 10,306	\$ 4,318,862
Restricted Cash	-	-	-	-
	<u>\$ 4,261,524</u>	<u>\$ 47,032</u>	<u>\$ 10,306</u>	<u>\$ 4,318,862</u>
Total				
	Federal Depository Insurance Coverage			\$ <u>202,198</u>

NOTE 4--DEPOSITS AND INVESTMENTS (Continued)

Custodial Credit Risk of Bank Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Township evaluates each financial institution and assesses the risk level of each one, those with adequate risk levels are used for deposits. The Township has policy for this risk.

Custodial Credit Risk of Investments

Custodial credit risk is the risk that, in the event of the failure of the counterparty, the Township will not recover the value of its investments or collateral securities that are in the custody of an outside party. The Township has only investments in mutual funds in the amount of \$270,522 which are uninsured, unregistered and held by counterparties for the particular securities. The Township has no policy for this risk.

Interest Rate Risk

Interest rate risk is the risk that the value on investments will decrease as a result of a rise in interest rates. The Township has no policy for this risk. The Township has no policy with respect to investment maturities.

Credit Risk

State law limits investments in commercial paper to the top two ratings issued by a nationally recognized statistical rating organizations. The Township follows the state guidelines and has no investments in this category. The Township has no policy for this risk.

NOTE 5--RECEIVABLES

Receivables as of year-end for the government's individual major and nonmajor funds, and fiduciary funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	<u>Debt Service</u>
Special Assessments	<u>\$ 4,755,971</u>
Gross Receivables	4,755,971
Less: Allowance for Uncollectibles	<u>-</u>
Net Receivables	<u><u>\$ 4,755,971</u></u>

Governmental funds report deferred revenue in connection with receivables for revenue that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received but not yet earned. At the end of the current fiscal year, the various components of deferred revenue are as follows:

	<u>Unavailable</u>
Special Assessments	<u><u>\$ 4,755,971</u></u>
Total	

NOTE 6--CAPITAL ASSETS

Capital asset activity of the primary government for the current year was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<u>Governmental Activities</u>				
Capital Assets Not Being Depreciated:				
Land	\$ 22,200	\$ -	\$ -	\$ 22,200
Construction in Progress	-	-	-	-
	<u>22,200</u>	<u>-</u>	<u>-</u>	<u>22,200</u>
Capital Assets Being Depreciated:				
Buildings	668,065	15,165	-	683,230
Improvements Other Than Buildings	49,500	-	-	49,500
Machinery and Equipment	131,848	-	-	131,848
Infrastructure	1,678,709	-	-	1,678,709
Subtotal	<u>2,528,122</u>	<u>15,165</u>	<u>-</u>	<u>2,543,287</u>
Less Accumulated Depreciation for:				
Buildings	175,379	17,080	-	192,459
Improvements Other Than Buildings	17,552	1,238	-	18,790
Machinery and Equipment	103,818	8,996	-	112,814
Infrastructure	103,052	33,574	-	136,626
Subtotal	<u>399,801</u>	<u>60,888</u>	<u>-</u>	<u>460,689</u>
Net Capital Assets Being Depreciated	<u>2,128,321</u>	<u>(45,723)</u>	<u>-</u>	<u>2,082,598</u>
Governmental Activities Capital Total				
Capital Assets--Net of Depreciation	<u>\$ 2,150,521</u>	<u>\$ (45,723)</u>	<u>\$ -</u>	<u>\$ 2,104,798</u>
<u>Business-Type Activities</u>				
Capital Assets Being Depreciated:				
Lines and Connections	\$ 1,201,499	\$ -	\$ -	\$ 1,201,499
Less Accumulated Depreciation for:				
Lines and Connections	<u>740,284</u>	<u>32,629</u>	<u>-</u>	<u>772,913</u>
Net Capital Assets Being Depreciated	<u>461,215</u>	<u>(32,629)</u>	<u>-</u>	<u>428,586</u>
Business-Type Activities Capital Total				
Capital Assets--Net of Depreciation	<u>\$ 461,215</u>	<u>\$ (32,629)</u>	<u>\$ -</u>	<u>\$ 428,586</u>

Depreciation expense was charged to programs of the primary government as follows:

<u>Governmental Activities</u>	
General Government	\$ 27,314
Public Works	<u>33,574</u>
Total Governmental Activities	<u>\$ 60,888</u>
<u>Business-Type Activities</u>	
Sewer	<u>\$ 32,629</u>

NOTE 7--INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The composition of interfund balances is as follows:

Due To/From Other Funds

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Non-Major Governmental Funds	\$ 5,594
Sewer	General Fund	4,399
		<u>\$ 9,993</u>

Interfund Transfers

	<u>Transfers In</u>		<u>Total</u>
	<u>General Fund</u>	<u>Non-Major Governmental Funds</u>	
<u>Transfers Out</u>			
General Fund	\$ -	\$ 10,463	\$ 10,463
Debt Service	731		731
	<u>\$ 731</u>	<u>\$ 10,463</u>	<u>\$ 11,194</u>

NOTE 8--LEASES

Raisinville Township had no lease obligations at June 30, 2008.

NOTE 9--LONG-TERM DEBT

The government issues bonds to provide for the acquisition and construction of major capital facilities. General obligation bonds are direct obligations and pledge the full faith and credit of the government. County contractual agreements and installment purchase agreements are also general obligations of the government. Special assessment bonds provide for capital improvements that benefit specific properties, and will be repaid from amounts levied against those properties benefited from the construction. In the event that a deficiency exists because of unpaid or delinquent special assessments at the time a debt service payment is due, the government is obligated to provide resources to cover the deficiency until other resources (such as tax sale proceeds or a re-assessment of the district) are received. Revenue bonds involve a pledge of specific income derived from the acquired or constructed assets to pay debt service.

NOTE 9--LONG-TERM DEBT (Continued)

Bond and contractual obligation activity can be summarized as follows:

	<i>Interest Rate</i>	<i>Principal Matures</i>	<i>Beginning Balance</i>	<i>Additions (Reductions)</i>	<i>Ending Balance</i>	<i>Due Within One Year</i>
Governmental Activities:						
Limited Tax Obligation Bonds						
South Custer Water	6.70%	2012-13	\$ 41,250	\$ (5,500)	\$ 35,750	\$ 5,500
Blohm Road Water	6.20%	2012-13	33,750	(4,500)	29,250	4,500
Raisinville Water	6.20%	2013-14	385,000	(55,000)	330,000	55,000
Gruber-Heiss Water	5.80%	2014-15	400,664	(50,083)	350,581	50,083
Stadler Road Water	5.80%	2014-15	39,336	(4,917)	34,419	4,917
Cherry-Dixon Water	4.90%	2022-23	480,000	(30,000)	450,000	30,000
Frenchtown-Raisinville Water	4.95%	2018-19	200,000	(15,000)	185,000	15,000
Ida Water Series B	5.35%	2018-19	600,000	(50,000)	550,000	50,000
Ida Water Series C	5.45%	2018-19	610,000	(55,000)	555,000	55,000
Yensch Road Water	4.6 - 5.4%	2020-21	350,000	(25,000)	325,000	25,000
Muehleisen-Yench Water	4.38%	2021-22	420,000	(25,000)	395,000	25,000
Bluebush Stadler Water	2.5 - 4.5%	2022-23	845,000	(50,000)	795,000	50,000
Bluebush Stadler Water - B	1.5 - 4.8%	2022-23	285,000	(15,000)	270,000	15,000
County Contractual Obligations:						
Dunbar-Strasburg Water	6.0 - 7.0%	2009-10	105,000	(105,000)	-	-
Stewart Road Water	5.0 - 7.5%	2015-16	172,910	(86,455)	86,455	86,455
Steffas Heiss Water	5.0 - 5.5%	2019-20	96,874	(7,428)	89,446	7,428
N.Custer/S.Custer Water	5.0 - 5.25%	2019-20	1,885,000	(145,000)	1,740,000	145,000
Total Governmental Activities			<u>\$ 6,949,784</u>	<u>\$ (728,883)</u>	<u>\$ 6,220,901</u>	<u>\$ 623,883</u>
Business-Type Activities:						
County Contractual Obligations:						
Ida Sewer	5.00%	2007-08	\$ 58,220	\$ (58,220)	\$ -	\$ -
Total Business-Type Activities			<u>\$ 58,220</u>	<u>\$ (58,220)</u>	<u>\$ -</u>	<u>\$ -</u>

Annual debt service requirements to maturity for the above obligations are as follows:

<i>Year Ending June 30,</i>	<i>Governmental Activities</i>	
	<i>Principal</i>	<i>Interest</i>
2009	\$ 623,883	\$ 314,644
2010	532,428	282,750
2011	537,428	255,576
2012	537,428	228,322
2013	537,428	200,678
2014 and after	3,452,306	742,171
Total	<u>\$ 6,220,901</u>	<u>\$ 2,024,141</u>

NOTE 10--RISK MANAGEMENT

The Township is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Township purchases commercial insurance for all of these risks of loss. Settled claims have not exceeded this commercial coverage in any of the past three years. There were no significant reductions in insurance coverage from the prior year.

The Michigan Townships Participating Plan operates as an insurance purchasing pool for local units of government in Michigan. The Plan purchases commercial insurance on behalf of its members at a lower cost than would be available on an individual basis.

NOTE 11--OTHER POST-EMPLOYMENT BENEFITS

The Township does provide for post-employment health insurance benefits for retirees. Currently there are no qualified retirees.

NOTE 12--EMPLOYEE RETIREMENT PLAN

Defined Contribution Pension Plan

The Township provides pension benefits for all of its permanent employees through a defined contribution plan. In a defined contribution plan, benefits depend solely on amounts contributed to the plan, plus any investment earnings. The plan was established and may be amended by the Township Board.

Raisinville Township contributes eleven percent of base wages for each employee with the employee having an optional contribution of up to ten percent. An employee is fully vested after twenty-one months of service. An insurance company (Manulife Financial) administers the plan and the Township makes monthly contributions. The Township's total payroll for this year was \$164,880. The Township made the required contribution of \$10,831, on covered payroll of \$98,464. Employee contributions totaled \$5,662.

All full time employees participate in the plan.

Note 13 -- Pending Litigation

At present, there are no cases of litigation pending that would have a material effect on the financial statements.

Note 14 - Raisinville Township - City of Monroe Water Main Agreement

On December 18, 1995, Raisinville Township and the City of Monroe entered into an agreement regarding the payment of construction costs of Raisinville Water Special Assessment District No. 8. The City of Monroe advanced \$220,000 to Raisinville Township to be applied to the construction cost of water mains in District No. 8. The agreement stipulates that Raisinville Township is to repay the City of Monroe using 50% of the equity connection charges received by the Township from properties directly serviced by the District No. 8 water mains. This is a non-recourse, non-interest bearing contribution.

Note 15 - London, Maybee, Raisinville Joint Powers Fire Department

Raisinville Township, in conjunction with two other communities, has entered into a joint venture to provide fire protection for each of the communities. This is considered a joint venture with an equity interest.

The Township's estimated share of assets, liabilities, and fund equity is 50%. Summary financial information as of, and for the fiscal year ended March 31, 2008 is as follows:

	<i><u>LMR Fire Department</u></i>
Cash and Investments	\$ 90,233
Other Assets	<u>1,141,621</u>
Total Assets	<u>1,231,854</u>
 Total Liabilities	 <u>-</u>
Total Net Assets	<u><u>\$ 1,231,854</u></u>
 Total Revenue	 \$ 321,658
Total Expenses	<u>280,218</u>
Net Change in Net Assets	<u><u>\$ 41,440</u></u>
 Current Portion of Long-Term Debt	 \$ -
Long-Term Debt, Less Current Portion	<u>-</u>
Total Debt	<u><u>\$ -</u></u>

Complete financial statements for this joint entity are available at the LMR Fire Department offices, PO Box 144, Maybee, MI 48159.

Required Supplementary Information

RAISINVILLE TOWNSHIP
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2008

	<i>Budgeted Amounts</i>		<i>Actual</i>	<i>Variance with</i>
	<i>Original</i>	<i>Final</i>	<i>Amounts</i>	<i>Final Budget</i>
				<i>Positive</i>
				<i>(Negative)</i>
Beginning Fund Balance	<u>\$ 633,925</u>	<u>\$ 633,925</u>	<u>\$ 492,250</u>	<u>\$ (141,675)</u>
Resources (Inflows)				
Taxes	180,000	180,000	147,105	(32,895)
State Grants	330,000	330,000	333,453	3,453
Charges for Services	5,000	5,000	9,779	4,779
Interest	30,000	30,000	16,236	(13,764)
Other	115,000	115,000	204,739	89,739
Transfers from Other Funds	216,993	216,993	731	(216,262)
Total Resources (Inflows)	<u>876,993</u>	<u>876,993</u>	<u>712,043</u>	<u>(164,950)</u>
Amounts Available for Appropriation	<u>1,510,918</u>	<u>1,510,918</u>	<u>1,204,293</u>	<u>(306,625)</u>
Charges to Appropriations (Outflows)				
General Government:				
Township Board	52,711	52,711	44,321	8,390
Supervisor	36,192	36,192	35,643	549
Elections	5,000	5,000	2,770	2,230
Audit	12,000	12,000	10,025	1,975
Assessing Department	43,000	43,000	39,427	3,573
Legal	15,000	15,000	7,578	7,422
Clerk	36,192	36,192	36,008	184
Board of Review	1,000	1,000	572	428
Treasurer	36,692	36,708	36,708	-
Building and Grounds	70,140	70,140	51,940	18,200
Cemeteries	5,123	5,123	4,722	401
Planning Commission	8,500	8,943	9,256	(313)
Board of Zoning Appeals	1,500	1,500	1,186	314
Other - Unclassified	169,543	169,084	48,095	120,989
Total General Government	<u>492,593</u>	<u>492,593</u>	<u>328,251</u>	<u>164,342</u>
Public Safety				
Fire Protection	<u>142,500</u>	<u>142,500</u>	<u>134,850</u>	<u>7,650</u>
Public Works:				
Maintenance	236,000	236,000	144,907	91,093
Street Lighting	2,700	2,700	2,319	381
Total Public Works	<u>238,700</u>	<u>238,700</u>	<u>147,226</u>	<u>91,474</u>
Culture and Recreation				
Library	<u>3,200</u>	<u>3,200</u>	<u>3,001</u>	<u>199</u>
Transfers to Other Funds	<u>-</u>	<u>-</u>	<u>10,463</u>	<u>(10,463)</u>
Total Charges to Appropriations	<u>876,993</u>	<u>876,993</u>	<u>623,791</u>	<u>253,202</u>
Budgetary Fund Balance, Ending	<u>\$ 633,925</u>	<u>\$ 633,925</u>	<u>\$ 580,502</u>	<u>\$ 53,423</u>

Supplementary Information

RAISINVILLE TOWNSHIP
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2008

	<u>Special Revenue</u>				
<i>Assets</i>	<i>Ida Lights</i>	<i>Iott Lights</i>	<i>Liquor Control</i>	<i>Building Fund</i>	<i>Total</i>
Cash and Cash Equivalents	\$ 3,450	\$ 1,686	\$ 181	\$ 132	\$ 5,449
Total Assets	<u>\$ 3,450</u>	<u>\$ 1,686</u>	<u>\$ 181</u>	<u>\$ 132</u>	<u>\$ 5,449</u>
 <i>Liabilities and Fund Balance</i>					
Liabilities:					
Accounts Payable	\$ 249	\$ 192	\$ -	\$ 4,020	\$ 4,461
Accrued Wages	-	-	-	2,760	2,760
Due To Other Funds	-	-	-	5,594	5,594
Total Liabilities	<u>249</u>	<u>192</u>	<u>-</u>	<u>12,374</u>	<u>12,815</u>
Fund Balance:					
Unreserved	<u>3,201</u>	<u>1,494</u>	<u>181</u>	<u>(12,242)</u>	<u>(7,366)</u>
Total Liabilities and Fund Balance	<u>\$ 3,450</u>	<u>\$ 1,686</u>	<u>\$ 181</u>	<u>\$ 132</u>	<u>\$ 5,449</u>

RAISINVILLE TOWNSHIP

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, EXPENDITURES AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2008**

	<u>Special Revenue</u>				
	<u>Ida Lights</u>	<u>Iott Lights</u>	<u>Liquor Control</u>	<u>Building Fund</u>	<u>Total</u>
Revenues:					
State Grants	\$ -	\$ -	\$ 809	\$ -	\$ 809
Permits and Fees	-	-	-	44,067	44,067
Assessments	<u>2,652</u>	<u>1,975</u>	<u>-</u>	<u>-</u>	<u>4,627</u>
Total Revenue	<u>2,652</u>	<u>1,975</u>	<u>809</u>	<u>44,067</u>	<u>49,503</u>
Expenditures:					
Current					
Public Safety	-	-	803	79,434	80,237
Public Works	<u>3,236</u>	<u>2,491</u>	<u>-</u>	<u>-</u>	<u>5,727</u>
Total Expenditures	<u>3,236</u>	<u>2,491</u>	<u>803</u>	<u>79,434</u>	<u>85,964</u>
Excess of Revenue Over (Under) Expenditures	(584)	(516)	6	(35,367)	(36,461)
Other Financing Sources (Uses):					
Operating Transfers In	265	198	-	10,000	10,463
Operating Transfers Out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources	<u>265</u>	<u>198</u>	<u>-</u>	<u>10,000</u>	<u>10,463</u>
Excess of Revenue And Other Financing Sources Over Expenditures And Other Financing Uses	(319)	(318)	6	(25,367)	(25,998)
Fund Balance - Beginning	<u>3,520</u>	<u>1,812</u>	<u>175</u>	<u>13,125</u>	<u>18,632</u>
Fund Balance - Ending	<u><u>\$ 3,201</u></u>	<u><u>\$ 1,494</u></u>	<u><u>\$ 181</u></u>	<u><u>\$ (12,242)</u></u>	<u><u>\$ (7,366)</u></u>



McGuire & McDole
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November 25, 2008

Raisinville Township
96 Ida Maybee Road
Monroe, MI 48161

We have audited the financial statements of the Raisinville Township for the year ended June 30, 2008, and have issued our report thereon dated October 31, 2008. Professional standards require that we provide you with the following information related to our audit.

As stated in our engagement letter, our responsibility, as described by professional standards, is to express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

We performed the audit according to the planned scope and timing previously communicated to you in our meeting with management.

Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by Raisinville Township are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year ended June 30, 2008. We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

The disclosures in the financial statements are neutral, consistent and clear.

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of the audit.

We have requested certain representations from management that are included in the management representation letter.

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all relevant facts. To our knowledge, there were no such consultations with other accountants.

We generally discuss a variety of matters, including the application of accounting principles, and auditing standards, with management each year prior to retention as the governmental unit's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

In planning and performing our audit of the financial statements of Raisinville Township as of and for the year ended June 30, 2008, in accordance with auditing standards generally accepted in the United States of America, we considered Raisinville Township's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control. Accordingly, we do not express an opinion on the effectiveness of the Township's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or a combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency in controls that results in more than a remote likelihood that material misstatement of the financial statements will not be prevented or detected. We deem the following a material weakness.

Financial Statements --The Township does not maintain personnel or procedures to prepare financial statements required by generally accepted accounting principles in the United States of America including capital assets, accruals and disclosures.

The following comments do not constitute a material weakness or significant deficiency.

Excess Expenditures – At year end the Township had one expenditure in excess of the adjusted budget amount. All expenditures should be within the amount appropriated.

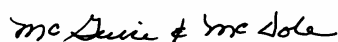
Deficit Fund Balance – At June 30, 2008, the Township had a deficit balance in the Building Inspection Fund. A deficit elimination plan must be filed with Michigan Treasury Department for the fund.

Other Matters

Retirees' Health Insurance –The Township should consider creating a fund to provide for current and future retirees' health insurance. Government Accounting Standards Board Statement No. 45 requires full accrual of retiree health benefits commencing for your year ending June 30, 2009. The Township should have an actuarial study performed in order to determine the correct amount of current contributions and future liabilities.

This information is intended solely for the use of Raisinville Township Board and management of Raisinville Township and is not intended to be and should not be used by anyone other than these specified parties.

Sincerely,



McGuire & McDole
Certified Public Accountants